

1 MR. MAY: Well, we have four now, I mean, it's a
2 bigger number than it was before. You've to ask the rest of
3 the directors.

4 JUDGE CHACHKIN: You don't have four minorities.

5 MR. MAY: They have four directors, isn't that what
6 your question was, how many directors there are?

7 BY MR. SCHONMAN:

8 Q My question had to do with the number of minorities
9 which is what you've described as -- the goal of the company
10 is to increase the number of minorities who own broadcasting
11 facilities.

12 A Yes, sir, --

13 Q Now, you've got an opportunity for a company to have
14 ten directors, that means they could have the opportunity to
15 have ten minorities serving on this unique company and I'm
16 asking you, do you have any knowledge why there weren't more
17 minorities on TTI's or NMTV's board?

18 A No, sir.

19 Q Never discussed it with anyone?

20 A No, sir.

21 Q Now, did the goals of TTI, the goals that you've
22 described, did those goals change at any time?

23 A No, sir, I believe they've always maintained the
24 same.

25 Q Why is it that TTI and later NMTV didn't make any

1 attempt whatsoever to acquire existing CP's for low-power
2 stations, if the acquisition of low-power stations was its
3 stated goal?

4 A I don't know -- I can -- I don't know how I can
5 answer that. I mean, they have acquired a number of
6 facilities as the years have gone by.

7 Q They've applied for new CP's.

8 A And they --

9 Q My question is, why isn't there -- why didn't they
10 acquire through an assignment or transfer an existing CP?

11 A Well, I don't know the answer to that.

12 Q TBN did that, did it not?

13 A Yes, sir.

14 Q Do you have any idea how it was determined which
15 communities TTI or NMTV would apply for and which communities
16 TBN would purchase CP's for?

17 A Not really, no, sir.

18 Q So the stated goals of NMTV are identical to the
19 goals that existed in 1980, is that your testimony?

20 A In the Articles of Incorporation?

21 Q No, the goals that you've described, that you
22 learned of in 1980 or in 1981, those remain the goals of NMTV
23 to this date?

24 A It's my understanding, yes, sir.

25 Q And the goals have not changed at all.

1 A Not that I'm aware of.

2 JUDGE CHACHKIN: Do you have any explanation why
3 these goals which you expressed were never set forth in any
4 document filed with the Commission?

5 MR. MAY: I don't know that it was ever -- in the
6 earlier applications if I could try to break this down as to
7 the times in which the materials were submitted, I don't know
8 that there was ever -- I didn't -- it wasn't relevant, I mean,
9 they weren't filing -- there was no question in the form that
10 elicited that information, there was no --

11 JUDGE CHACHKIN: What did -- why did that prevent
12 it, the fact -- if they filed supplementary information,
13 wouldn't it be important to tell the Commission that this is
14 the goal, this is why we're here for the Commission to
15 consider? I ask you again, can you tell me why -- can you
16 provide any explanation why the goals which you expressed were
17 never set forth in a Commission document, if they, in fact,
18 are what you claim to be the goals?

19 MR. MAY: It's what I understand them to be, sir.

20 JUDGE CHACHKIN: I'm asking you why were they not
21 put forth in a Commission document? You were the lawyer for
22 TTI and NMTV, why were they not put forth in a Commission
23 document?

24 MR. MAY: It didn't seem relevant or requested under
25 the form itself other than the information we submitted.

1 JUDGE CHACHKIN: So you don't think it was relevant
2 to the Commission's consideration to be aware of the goals of
3 TTI and NMTV?

4 MR. MAY: Well, Your Honor, when it came time to
5 file the 1987 assignment to acquire Odessa, they acknowledged
6 the specific provision of the multiple ownership rule which
7 spoke to the minority ownership of the company permitting an
8 exception and in that sense they were describing that this is
9 a minority company and I --

10 JUDGE CHACHKIN: What does that have to do with the
11 fact of describing the composition of the company, what does
12 that have to do with setting forth what the goals of this
13 minority company are? What does one have to do with the
14 other? Didn't you ever hear of minority companies which carry
15 the same programming as any other commercial station held by
16 -- where you have non-minorities? What does that have to do
17 with -- if they had unique and distinctive goals which you
18 saying it, what does it have to do with whether the
19 composition doesn't -- you can't apply from the composition of
20 a corporation what their goals are. That's ridiculous and I
21 again ask you, if these were the goals that you tell me, why
22 weren't they not included in application where you expressly
23 sought exemptions under the Commission's rules and why are
24 they not included in low-power applications where you sought
25 minority credit if these were the goals?

1 MR. MAY: Your Honor --

2 JUDGE CHACHKIN: And you have no explanation for
3 that, do you?

4 MR. MAY: Except -- yes, sir, the form doesn't
5 elicit that information, Your Honor.

6 JUDGE CHACHKIN: The form does -- has nothing to do
7 with it, you submitted supplementary information, at least in
8 the case of Odessa and Portland and there's certainly nothing
9 that prevented the applicant from indicating what the goals of
10 the minor -- of this station were going to be.

11 MR. MAY: But, Your Honor, that what -- I mean,
12 that's not a request in the form, it didn't come out in the
13 informal -- I mean, the -- I guess I don't have an explanation
14 other than it just -- I was responsible for preparing the
15 forms, I put the forms together, send them to my client and
16 filed and I thought they were responsive to the material that
17 was necessary in the processing of that application and that's
18 what I provided.

19 JUDGE CHACHKIN: You also included supplemental
20 information, if you're not aware in Portland.

21 MR. MAY: I -- yes -- yes, sir, I -- in Odessa, I
22 did that, sir, with regard to Mr. Roever because Mr. -- there
23 is a specific question on the form that says "does the
24 purchase agreement between the parties fully represent all the
25 compensation and relationship flowing back and forth between

1 the seller and the buyer" and since there was this program
2 contract, it's possible that that may be part of or at least
3 perceived to be part of it and so I simply disclosed it cause
4 I thought that was specifically responsive to a question on
5 the form.

6 JUDGE CHACHKIN: It doesn't have to be responsive to
7 the question, the question is you were seeking an exemption
8 and as you pointed out, this was a unique -- this was the
9 first case where someone was seeking an exemption and you were
10 seeking an exemption because you were claiming minority
11 control. It would seem if the goals, what you say laudable,
12 you would have included it in information provided to the
13 Commission whether or not it was requested in the form or not
14 and the fact it's not claim -- contained in any document
15 raises the question whether, in fact, what you're saying is
16 the goal -- was the goal or is something you're raising now
17 because of the hearing. Let's continue.

18 MR. MAY: But, Your Honor, in 19-- in October of
19 1987 we presented the materials, say here is this Board of
20 Directors, we believe it meets this policy.

21 JUDGE CHACHKIN: I understand that, but what I'm
22 saying to you, the fact that you have a minority Board of
23 Directors, the composition of the Board of Directors has
24 nothing to do with the goals of the company. There are many
25 comp -- Board of Directors -- there are many companies -- I

1 wouldn't say many but there certainly are companies owned by
2 minorities which have the same goals as companies which are
3 not owned by minorities. But what you're telling me there was
4 something unique about this minority-controlled company and
5 I'm saying if that's the case obviously it should have been
6 told to the Commission, if, in fact, that as the case.

7 MR. MAY: Your Honor, the material that the
8 Commission asked for that we submitted on the form that --

9 JUDGE CHACHKIN: I understand that, I understand
10 that --

11 MR. MAY: It's there.

12 JUDGE CHACHKIN: -- I understand that --

13 MR. MAY: That we even filed the by-laws, the
14 articles, organizational minutes to say here's the company and
15 here's all about the company --

16 JUDGE CHACHKIN: And the by-laws, as I pointed out
17 to you are identical to TBN's by-laws, namely there were
18 established for a religious purpose. That's what it says in
19 the by-laws.

20 MR. MAY: And those are required to make sure you be
21 -- you get --

22 JUDGE CHACHKIN: I understand it but the Commission,
23 if you had unique goals, presumably you would have included it
24 in the application or in some document filed with the
25 Commission. Go ahead, Mr. Schonman.

1 BY MR. SCHONMAN:

2 Q Mr. May, isn't it a fact that it was understood that
3 the stations that TTI desired to obtain, that is, the low-
4 power stations, everyone of them would carry TBN programming,
5 that was understood even before the application was filed,
6 correct?

7 A In ev -- yes, sir, in every application it was
8 disclosed, in fact, to my knowledge that at least in these
9 early '80 applications that set the predicate for this, it was
10 described that they would be carrying the KTBN TV programs.

11 Q I'm not talking about disclosure but it was
12 understood that whenever TTI applied for a low-power station
13 that that station would carry TBN programming.

14 A Well, it has to carry some programming, yes, sir,
15 and that's the --

16 Q And in fact --

17 A -- programming it would carry, TBN's, yes, sir.

18 Q And every station that TTI or NMTV has desired to
19 obtain whether it's Wilmington, a failed attempt or Portland
20 or Odessa or any other stations, that those stations would
21 always carry TBN programming and no other religious
22 programming.

23 A Well, they have the right to carry other programs
24 but they have chosen to do that to this date. They have a
25 program affiliation agreement, it's been in their public file,

1 | it's been disclosed to the Commission, it permits them to
2 | affiliate, to carry certain amounts of programming or not, it
3 | allows them to cancel the agreement.

4 | Q Have any such agreements ever been canceled?

5 | A Not that I'm aware of, no sir.

6 | Q And the stations have always carried TBN
7 | programming, haven't they?

8 | A Yes, sir.

9 | MR. SCHONMAN: Your Honor, if I could just have a
10 | moment?

11 | JUDGE CHACHKIN: Yes.

12 | BY MR. SCHONMAN:

13 | Q Mr. May, I'd like to refer you to your direct
14 | written testimony at -- which is Trinity Exhibit 105, page 18
15 | and I bring this up now because you mentioned a moment ago a
16 | reference to the program affiliation agreement. Paragraph 28
17 | specifically.

18 | A Yes, sir, I've read it.

19 | Q Now, this is the program affiliation agreement in --
20 | with the Portland station at Tab 0, page 9? That's the
21 | example that you give.

22 | A Yes, sir.

23 | Q Now, this is an example of a unique program
24 | affiliation agreement?

25 | A That termination provision is, sir.

1 Q Were you involved in any way with in negotiating
2 this program affiliation agreement?

3 A No, sir.

4 Q Were you involved in any way in preparing this
5 program affiliation agreement?

6 A No, sir, other than that I had created the original
7 drafts, you know, for a TBN affiliation agreement and this was
8 -- that essentially it was the template but it didn't contain
9 all the terms and etcetera, this is a unique term that I
10 didn't have anything to do with.

11 Q Do you know who negotiated this program affiliation
12 agreement, if anyone?

13 A Well, I believe Mrs. Duff did.

14 Q And what's that based on?

15 A I beg your pardon?

16 Q You say you believe that Mrs. Duff was involved in
17 negotiating this, do you know whether she did or do you just
18 believe that she did?

19 A I have some -- I can't recall specifically but I
20 have an impression that she informed me of that or has let me
21 know that, I don't know that I can recall a specific
22 conversation but that's my impression and that's why I say I
23 believe that.

24 Q So you don't know how this, what you call a unique
25 provision in this agreement, was arrived at?

1 A No, sir.

2 Q You don't know if someone just wrote it in and it
3 was just acquiesced to by all parties involved? Well, what
4 makes this unique, Mr. May?

5 A Well, I've seen a number of other affiliation
6 agreements that the Trinity organization has and I am unaware
7 that any of the others have a cancellation provision and
8 that's why I believe it is unique.

9 Q You don't even know if this agreement was worked out
10 at arms-length, do you?

11 A It stands on the four corners of its face, I mean --

12 Q Yes, it does.

13 A Well, I guess I don't know the answer to that, I was
14 not involved in the preparation of this specific document nor
15 the negotiations of it but I regard that provision to be
16 unique because in my experience I've seen many other documents
17 that do not have this so it's there --

18 Q But you don't --

19 A -- it's not in other ones, there must be something
20 unique, special, important about it otherwise somebody would
21 not have put it in there, I guess.

22 Q Are you suggesting that the parties labored over
23 this and hammered out this agreement in some manner and
24 reached an accord which contains this unique provision?

25 A No, sir, I'm not trying to suggest anything other

1 | than it's there and it's not in the agreements I'm familiar
2 | with or have been involved in.

3 | Q All right, we were talking a moment ago about the
4 | goals of TTI and the goals of NMTV, let's talk about the goals
5 | of TBN, what is your understanding as to TBN's objectives?

6 | A TBN is a religious public charity that has as its
7 | objectives the gospel of Jesus Christ and to spread it and to
8 | make that message known to all the corners of the earth.

9 | Q Is it to spread it via as many broadcast stations as
10 | possible?

11 | A I think I mentioned yesterday that I believe Dr.
12 | Crouch would like to see every frequency in the world be
13 | involved in God's work as he regards it. So I suppose the
14 | answer to your question is yes, as far and as wide as that
15 | message can be spread, I believe that's what they'd like to,
16 | that's what they are, they're a faith organization and they
17 | are a religious commitment and that's how they want to see it
18 | fulfilled.

19 | Q In 1986, TBN reached its full complement of twelve
20 | stations, correct?

21 | A I -- in approximately that time frame, I don't know
22 | if it was specifically in 1986 or '87 or '85, I just don't
23 | know, sir.

24 | Q Did that limit of twelve stations represent an
25 | impediment to TBN's goals?

1 A Not really, no, sir, they had --

2 Q Why not?

3 A They have program affiliates, they have cable
4 outlets, they have low-power facilities that there's no limits
5 on, they are syndicating programs domestically,
6 internationally, I think and they're involved in many, many
7 things. They have tape series that circulated out, crusades
8 that they make the material available in and broadcasts in and
9 they host events so that it's far and wide so I don't know
10 that it's any particular impediment.

11 Q No impediment at all?

12 A Well, other than that they'd like to obviously be on
13 every frequency that the world would permit but, I mean, they
14 recognize that there is a limit as to what the government will
15 permit, I mean, if that's the drive of your question but I
16 don't know that it's any particular impediment in terms of the
17 purpose and goal of what they want to do as a religious
18 organization. I mean, think of it like a church, I mean,
19 would you say to the Catholic Church that somehow it's limited
20 if there is a local zoning ordinance that says you can only
21 have one church in a neighborhood.

22 Q You're asking me?

23 A Yes, sir, I mean, that's kind of comparison I'm
24 trying to make --

25 Q My --

1 A -- in terms of perceiving it as being an impediment
2 or whatever.

3 Q In 1986, did you have any understanding as to what
4 was required in order to obtain a thirteenth and a fourteenth
5 sta-- full-power commercial station?

6 A You're talking the exception to the rule of fourteen
7 -- exception rule to ownership rule?

8 Q Yes.

9 A And I'm sorry, now, what's your question?

10 Q In 1986, did you have an understanding as to what
11 was required in order to satisfy the exemption or the
12 exception as you've described it?

13 A I don't recall exactly when that had -- it could
14 have been in the early part of '87 but at some point I was
15 asked to look at the issue as it came up when it was learned
16 that Mr. Roever was interested in selling his construction
17 permit and I then looked at the ownership rule and recognized
18 that here was a provision, a special and unique provision and
19 here was a company that seemed to fit in and so file the
20 document at the Commission and see if, in fact, this is
21 appropriate.

22 Q Let's take it step-by-step, then. Who asked you,
23 who approached you to investigate the possibility of getting a
24 thirteenth station?

25 A I don't know that it was presented in terms of the

1 possibility of getting a thirteenth station, I think the way
2 it came to me is Mrs. Duff and I'm sure I have conversations
3 with Dr. Crouch as well about it, were aware that this was an
4 unbuilt construction permit in Odessa, Texas. The question
5 was then can this be applied for in the name of, at that time,
6 can Translator Television acquire this facility and I said,
7 well, I don't know, Dr. Crouch is the president and has a
8 recognized position on it and he already has an interest in
9 the maximum number of television facilities that are permitted
10 and I looked at the issue and recognized that here is a
11 provision, a special provision, unique provision and the
12 company seemed to fit within that provision as I -- how I
13 understood and so we then proceeded with that understanding,
14 noting in the contract, for example, that this would have to
15 qualify under this exception because of Dr. Crouch's
16 participation.

17 Q Can you relate to me the substance of discussions
18 that you had with Mrs. Duff and also Reverend Crouch, the
19 initial discussions that you just referred to?

20 A Other than to say that they were aware that Mr.
21 Roever had an unbuilt construction permit that he would like
22 to sell, that's about all.

23 Q But when you were first approached, it was
24 understood that you were to investigate whether TTI and no
25 other company was the entity that was proposing to acquire the

1 construction permit in Odessa?

2 A I don't know that I recall specifically whether it
3 was TTI or it was rather just can Dr. Crouch have an
4 involvement in this facility, it may have been more general
5 like that, I honestly don't recall.

6 Q I mean, did anyone ever suggest, gee, can Community
7 Educational Television acquire another station?

8 A Again, I think it was in the context of Dr. Crouch's
9 involvement and what were the limitations of that involvement,
10 if any.

11 Q When did the idea surface that Translator TV, Inc.
12 might be a vehicle for acquiring a thirteenth station as
13 opposed to another company doing so?

14 A Generally within that time frame I believe, in that
15 -- I just don't recall specifically the initial conversation
16 other than the requirement of focus that it would be on Dr.
17 Crouch and his involvement.

18 Q Mr. May, can we turn to Bureau Exhibit No. 118 and
19 that's in Volume 3 -- I'm sorry, Exhibit 119 which is also in
20 Volume 3. Now, Bureau Exhibit 119 is a letter that you
21 directed to Mrs. Duff at Trinity Broadcasting Network and the
22 letter is dated December 22, 1986. Do you have that?

23 A Yes, sir.

24 Q Now, this letter involves the Odessa station, my
25 initial question is, why are you directing to Mrs. Duff at

1 | Trinity Broadcasting Network rather than TTI or NMTV as it
2 | later came to be known?

3 | A That's her address, that's where she is.

4 | Q But isn't the client TTI or NMTV, for the purposes
5 | of this letter, the matters discussed in this letter involve
6 | only NMTV, correct?

7 | A Yes, and the reference line is Channel 41, Odessa,
8 | Texas. I sent it to Mrs. Duff where she receives the mail.

9 | Q In other words, if you direct it to Mrs. Duff at
10 | NMTV, she won't receive mail there.

11 | A No, sir, she would receive mail there, I mean, it's
12 | quite possible that it's just simply a matter of the word-
13 | processing function. You -- we have a macro field and you can
14 | call up on the macro field a name and it prints out an address
15 | and I'm not sure I ever really gave -- I just wanted her to
16 | get the mail.

17 | Q You never gave it much thought.

18 | A I never gave it much thought as to whether or not it
19 | was -- it was to Mrs. Duff, it was material that she was
20 | responsible for and --

21 | Q If you were to send her correspondence today and the
22 | matter involved NMTV, would you still direct it to Mrs. Duff
23 | at TBN?

24 | A It's possible that it could come out that way, I
25 | mean, there are instances in which I send it to Mrs. Duff

1 Nationality Minority and instances in which she gets material
2 that involved National Minority but is sent to her at Trinity.

3 Q So the fact that we have this ongoing litigation you
4 may not -- you wouldn't be more careful to send things to her
5 in her capacity at NMTV?

6 A Mr. Schonman, I try to be more careful, I mean, I --
7 I mean, if it's important, if that aspect of it is important
8 about how I address a letter or -- I mean, the substance of it
9 is what she has to deal with, it's not so much -- I guess I
10 just don't see it as that critical. I've given you the best
11 response I can, I mean.

12 Q All right. All right, now, let's focus on the date,
13 December 22, 1986. Does that date and the substance of this
14 letter assist you in recalling when you had your initial
15 discussion or discussions with Mrs. Duff and Reverend Crouch
16 about acquiring a construction permit in Odessa?

17 A Not really, I mean, a December time frame places
18 that at least I prepared the draft agreement as to this date.
19 I assume that it must have been some time prior to that
20 December 22 date.

21 Q Are you able to narrow the field as to when you had
22 that initial discussion, I mean, I would assume it was before
23 December 22, 1986, can you recall how long before that date
24 that you had the initial discussion?

25 A Not really, I mean, it was probably in the near

1 time.

2 Q And was it during that initial discussion that it
3 was determined that TTI would apply to acquire the Odessa
4 permit and not another company?

5 A I can't recall, Mr. Schonman, as I stated the -- my
6 remembrance of the first time it came up was in the context of
7 Dr. Crouch and his ability to participate and what that meant
8 and how that impacted this transaction and that's what I
9 recall about the -- that first conversation.

10 Q Now, our discussion about the Odessa station started
11 out when I asked you what your understanding -- whether you
12 had an understanding as to what the Commission required in
13 order to obtain a thirteenth station and I think we've now
14 come full circle. After you had that initial discussion, is
15 -- am I correct that you did some research as to what was
16 required?

17 A I'm sure I pulled up my rule book and looked at it
18 and there was the provision.

19 Q And can you relate to me what your understanding was
20 at the time as to what the Commission required in order for an
21 entity to obtain a thirteenth full-power commercial TV
22 station?

23 A Yes, sir, as I've described that as long as the
24 entity was minority owned and the -- in the context of a non-
25 profit corporation that meant that the controlling number of

1 | its Board of Directors were minorities fit the policy.

2 | Q Was there any reference in the rules to audience
3 | reach, national audience reach, did that factor in?

4 | A I think there is -- yes, there is a provision in the
5 | rules about that.

6 | Q Explain that to me, if you can, what your
7 | understanding about national audience reach.

8 | A I believe it is that if you go under the minority
9 | exception, you can have a -- if you're a VHF group, you can
10 | have up to thirty percent of the national audience reach and
11 | that number -- and whatever that number is, 100 million,
12 | etcetera. If you're UHF you can have up to sixty percent of
13 | that national audience number, 100 million. That's what I
14 | understand, so that if the company or the principle that is
15 | responsible for triggering or needed to have evaluation under
16 | the exception has an interest in, you know, facilities that
17 | provide over sixty percent, you know, national audience reach
18 | then you wouldn't meet it even though you were a minority-
19 | owned controlled company. I mean, in other words, it's
20 | another limitation that the Commission places on it. The
21 | threshold requirement regardless is is that you must be a
22 | minority-owned controlled company. Once you meet that
23 | standard, then you go to the next criteria is that, okay,
24 | assuming you meet that, do you also stay with under the
25 | ceiling of -- again in the case of UHF television stations, no

1 more than sixty percent of the national audience reach.

2 Q So you have to satisfy both parts.

3 A Yes.

4 Q Okay, and in terms of the national audience reach,
5 it is obviously then advantageous to serve fewer people than
6 that threshold rather than more because if you serve more,
7 you're not entitled to the exemption, correct?

8 A Yes, if you exceed that sixty percent for UHF, yeah,
9 that -- yes, sir, you would not meet that second standard.

10 Q Now, the requirement, the control requirement
11 regarding the multiple ownership rules, you testified that one
12 of the requirements was that the entity be minority
13 controlled, correct, that was the first factor?

14 A Yes.

15 Q Is that definition of control for the multiple
16 ownership rules the same definition of control with respect to
17 minority preferences for the low-power stations?

18 A Yeah, I believe it is, the language is -- for the
19 Television Translator ones that came out of the lottery
20 proceeding and then as came out in the instructions to the
21 rules, they're very specific. They simply say -- I mean,
22 there's -- there cannot be a programming requirement, there's
23 not management requirement, it simply provides that if a
24 majority of your Board of Directors are minorities, you get
25 the preference, that's the only evaluation there is. In fact,

1 | there was language in the lottery report and order which
2 | essentially adopted the position that had been put forward by
3 | public advocate groups including a corporation for public
4 | broadcasting where the Commission specifically said we
5 | recognize and we'll adopt the position proposed by CPB that
6 | for purposes of making the determination in the lottery matter
7 | that that will be based upon the composition of the Board of
8 | Directors. And so I think that's a little different question
9 | than what you're looking at in the context of the rule of
10 | fourteen which came out in the multiple ownership memorandum
11 | opinion and order which was several years after that.

12 | Q So insofar as the minority preference goes for low-
13 | power stations, control is a function of the number of
14 | minorities on the board, ownership equals control, is that
15 | your view?

16 | A Yes, sir, I mean, I think it's consistent between
17 | the two but I think the way in which it's applied is what I'm
18 | trying to focus on with you.

19 | Q All right, I just want to make sure I understand
20 | your view of control insofar as minority preferences for low-
21 | power stations are concerned. Now, let's shift gears and I
22 | want to focus on what you view control to be insofar as the
23 | Commission's multiple ownership rule is concerned. How does
24 | that differ from the minority preference control?

25 | A I think essentially it is the same, I mean, the

1 report and order describes those that qualify under the rule
2 of fourteen as organ-- when you're a non-profit organization,
3 when your Board of Directors is controlled by a majority who
4 are minorities, you meet the standard. In that sense the
5 control of the minorities on the board is equivalent to the
6 ownership question and vice versa. I mean, as long as fifty
7 percent or more is owned by minorities, you meet the
8 qualification.

9 Q So there is a difference or there is not a
10 difference between control insofar as the multiple ownership
11 rules go and control insofar as the low-power minority
12 preference rule goes. I'm having trouble understanding, do
13 you view there to be a difference in control or there is no
14 difference in control?

15 A I think owner -- yeah, I guess it is the same, yes,
16 sir, I mean, the control factor is decided based on the same
17 core principle which is the composition of the Board of
18 Directors.

19 Q Now, the multiple ownership rule was fairly new at
20 the time that this matter came up in late May --

21 A I believe so, yes, sir.

22 Q -- in 1986?

23 A Yes.

24 Q Did you confer with anyone about the multiple
25 ownership rule provision?

1 A I talked to my partner Joe Dunne about it, is that
2 --

3 Q Yes, that's --

4 A -- I did -- and in addition to the communications
5 that I had with the client about it.

6 Q Did you speak with Mr. Dunne on more than one
7 occasion about this?

8 A I believe so, yes, sir.

9 Q Why did you speak with Mr. Dunne about it?

10 A To just make sure that another set of eyes reviewed
11 the same material and came out in the same place I did.

12 Q Can you relate the substance of any discussions you
13 had with Mr. Dunne about interpreting the multiple ownership
14 rule?

15 A Essentially it is, here is the rule, here's the
16 report and order, read through these and see if you come out
17 in the same place I do, which is in the case of a non-profit
18 public charity company, that the issue as to minority
19 ownership, minority control is going to be based upon the
20 composition of the Board of Directors.

21 Q Did you routinely consult with Mr. Dunne about
22 questions of law and interpretation of rules and statutes?

23 A Yes, sir.

24 Q So the occasions that you had to consult with Mr.
25 Dunne about the multiple ownership rule was not unusual, is

1 that a correct characterization?

2 A I think that's right, we've been law partners for a
3 number of years.

4 Q Now, in 1986 when you were advising NMTV about
5 whether it could acquire the Odessa construction permit, you
6 knew that TTI -- when I use TTI at this point, this -- I don't
7 want to confuse anyone because we're at a point where the
8 company is changing it's name, why don't I just refer to the
9 company as NMTV and you'll understand that I'm referring to
10 TTI as well?

11 A Yes, sir.

12 Q Okay, at this time in 1986, you knew that TTI had no
13 bank account, is that correct?

14 A I don't recall, sir, that I knew or didn't know at
15 that point in time.

16 Q Did you inquire of anyone as to whether the company
17 had a bank account in its own name?

18 A I honestly don't recall.

19 Q Mr. May, at this point in 1986 you had been dealing
20 with NMTV and TBN since you started practicing law, that was
21 six years at this point, is that correct?

22 A Yes, sir.

23 Q You were as familiar as anyone with the operation
24 and the relationship of the companies?

25 A Well, probably not as familiar with the principles